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June 5, 2008

**Via Electronic Mail and  
Federal Express**

Samuel J. Coleman, P.E.  
Director  
Superfund Division  
U.S. EPA Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, Texas 75202-2733

Re: Gulfco Marine Maintenance Site in Freeport, Texas

Dear Mr. Coleman:

As you are aware, on Friday, May 30, 2008, Scott Sherman of OSWER, Barbara Nann of your staff and representatives of The Dow Chemical Company ("Dow") and Chromalloy American Corporation ("Chromalloy") participated on a conference call to discuss the Gulfco Marine Maintenance Site ("Site"). The discussion, facilitated by Mr. Sherman, was helpful. On the call, Ms. Nann requested that we provide a letter describing the contents of the Engineering Evaluation/Cost Analysis ("EE/CA") for a Non-Time-Critical Removal Action addressing the remaining Site response actions. This letter responds to Ms. Nann's request and sets out the process which Dow and Chromalloy are prepared to follow if an EE/CA approach is selected for the Site. The letter also confirms the companies' willingness to complete the Remedial Investigation/Feasibility Study ("RI/FS") on an expedited schedule.

After the May 30<sup>th</sup> call, Ms. Nann requested that we provide a copy of the draft "EE/CA contents" letter to you for review. An initial draft of this letter was sent to Ms. Nann on June 2, 2008. We received EPA's suggested changes to the draft on Tuesday, June 3<sup>rd</sup>. After considering the suggested changes, we believe it is most important to clearly describe the process that Dow and Chromalloy can agree to for going forward at the Site. Unfortunately, the companies cannot accomplish this goal and adopt many of the proposed changes to the initial draft. As described on the May 30<sup>th</sup> call, Dow and Chromalloy will agree to the following process:

- A removal action for the tanks addressed in a removal AOC. Dow and Chromalloy agree to pay EPA's future costs associated with the removal AOC.
- Payment of EPA's past costs addressed in a subsequent consent decree as per your letter of May 13<sup>th</sup>. The consent decree would also address all remaining response actions at the Site.

- Appropriate language in the AOC describing the removal action as part of the process of going forward at the Site. The language should describe EPA's commitment to consider delisting the southern portion of the Site once all response actions on this portion have been completed.
- The EE/CA approach is an alternative, not an "add-on," to the RI/FS process. If EPA elects to pursue a Non-Time-Critical Removal Action to address the Site response actions remaining after the tank removal has been completed, the EE/CA will be prepared in accordance with EPA's guidance on Non-Time-Critical Removal Actions. Any subsequent consent decree, whether for an EE/CA or an expedited RI/FS, will replace the amended Unilateral Administrative Order that was effective January 31, 2008 ("UAO").

If an EE/CA is prepared, it will be prepared in accordance with EPA's Guidance for Non-Time-Critical Removal Actions (EPA/540/F-94/009, "Conducting Non-Time-Critical Removal Actions Under CERCLA"), will include all investigative data for the entire Site (i.e., both southern portion and northern portion) that has been gathered pursuant to the Gulfco Restoration Group's RI/FS Work Plan approved by EPA, and will propose a Non-Time-Critical Removal Action for the northern portion of the Site. In accordance with the cited guidance, the EE/CA will contain the following sections:

- Executive summary
- Site characterization
  - Site description and background (This section would provide available data on the physical, demographic, and other characteristics of the Site and surrounding area, including a brief summary of the Site history.)
  - Previous removal actions (This section would provide a brief summary of the Time-Critical Removal Action performed for the aboveground storage tank farm.)
  - Source, nature, and extent of contamination (This section would provide a comparison of site data by area/media relative to extent evaluation comparison criteria (the preliminary screening values provided in the RI/FS Work Plan or approved background data) to demonstrate that the extent of contamination has been defined in accordance with procedures specified in the RI/FS Work Plan. This section would include multiple tables and figures summarizing Site data by area and media. It would also include hydrogeologic cross-sections showing the groundwater-bearing units at the Site and would include potentiometric surface maps, by water-bearing unit.)
  - Analytical data (In addition to the data summary tables and figures described in the extent of contamination section, all analytical data for the Site would be provided in searchable electronic database format on a DVD included with the EE/CA.)
  - Streamlined risk evaluation
    - Human Health (This section would include a summary of a human health risk assessment performed in accordance with the substantive requirements of the EPA risk assessment guidance, including calculation

- of risks relative to the Superfund risk range and target hazard index. The detailed calculations would be included as an appendix to the EE/CA.)
- Ecological (This section would present a summary of revised calculations from the Screening Level Ecological Risk Assessment (“SLERA”) incorporating all data relative to potential ecological pathways generated during the Site investigation, and would present updated conclusions regarding potential ecological risks. The detailed calculations would be included as an appendix to the EE/CA.)
  - Identification of removal action objectives
    - Determination of removal action scope (This section would identify the specific areas/media posing a potentially unacceptable risk to human health and the environment as presented in the streamlined risk evaluation and would define the scope of the removal action to address these media/areas. Given the results of the comprehensive Site remedial investigation to date, it is anticipated that this scope would focus on Site groundwater and the former surface impoundments.)
    - Determination of removal schedule
    - Planned remedial activities
  - Identification and analysis of removal action alternatives (This section would present several removal action alternatives intended to address the identified removal action objectives. These alternatives would then be individually assessed against the removal action evaluation criteria listed below.)
    - Effectiveness
    - Implementability
    - Cost
  - Comparative analysis of removal action alternatives (This section would present a comparative analysis to evaluate the relative performance of each alternative in relation to each of the above criteria.)
  - Recommended removal action alternative (This section would propose the recommended action and describe the reasons for the recommendation. As appropriate, this section would refer to an appendix with additional details of the alternative. For example, if the alternative included a groundwater monitoring component, the EE/CA would include the groundwater monitoring plan as an appendix. This section would include documentation that the proposed alternative is sufficient to meet completion requirements.)

Since the May 30<sup>th</sup> call, we have learned of developments that likely will foreclose the use of an EE/CA approach. We were informed that EPA’s risk assessment team will require ecological sampling, including sediment toxicity testing on Site and Intracoastal Waterway sediments and fiddler crab sampling, beginning next week if an EE/CA approach is employed. The need for such testing has yet to be demonstrated through the analysis of the existing data. We had proposed that the need for such testing be determined as part of the risk evaluation in the EE/CA. EPA’s suggested changes to the initial draft of this letter confirm these requirements and also specify that the EE/CA meet and satisfy the requirements of an RI/FS. These new requirements jeopardize the ability to address the remaining response actions under an EE/CA by September 30. As you know, our goal in proposing the EE/CA approach in the first place was to offer a realistic chance of meeting EPA’s “construction complete” goal by that date. We have,

Samuel J. Coleman, P.E.

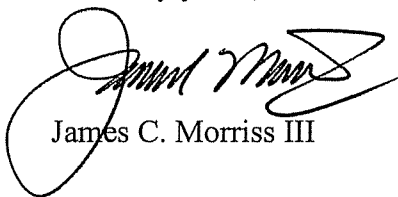
June 5, 2008

Page 4

however, as you know, proposed another approach, the expedited RI/FS approach, that allows a quicker Site cleanup although "construction complete" cannot be achieved by September 30, 2008. This approach which is set forth in the schedule provided to Mr. Gary Miller and Mr. Don Williams of your staff on May 22<sup>nd</sup> projects a "construction complete" date by December 2008. If the EE/CA approach is not employed, Dow and Chromalloy are willing to negotiate a consent decree to replace the UAO to perform this expedited RI/FS.

In closing, we are prepared to work diligently with you and your staff to complete the tank removal and to accomplish the cleanup and redevelopment goals for the Site. Mr. Pastor has provided a preliminary draft Work Plan for the Removal Action to Mr. Miller for review and input. If the EE/CA's use and contents described herein are acceptable to EPA, we are eager to receive EPA's approval of the process, and to start negotiating the consent decree. If this approach is not acceptable, Dow and Chromalloy remain ready to negotiate a consent decree replacing the UAO to perform the expedited RI/FS.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James C. Morris III", with a large, stylized loop at the end.

James C. Morris III

cc: (via Electronic mail)  
Scott Sherman  
Barbara Nann